

Memorandum



CITY OF DALLAS

DATE September 18, 2017

Honorable Members of the Mobility Solutions, Infrastructure and Sustainability
TO Committee: Lee M. Kleinman (Chair), Rickey D. Callahan (Vice-Chair), Sandy
Greyson, Adam Medrano, Casey Thomas, II and Tennell Atkins

SUBJECT **Union Pacific in Dallas**

On Monday, September 25, 2017, you will be briefed on Union Pacific in Dallas. The briefing materials are attached for your review.

Please feel free to contact me if you have any questions or concerns.

A handwritten signature in blue ink, appearing to read 'Majed Al-Ghafry', with some scribbles below it.

Majed Al-Ghafry
Assistant City Manager

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Biliera Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors



BUILDING AMERICA®

September 25, 2017

Union Pacific in Dallas

Dan Harbeke
Director Public Affairs



2016 Fast Facts

Operating Revenue: **\$19.9 B**

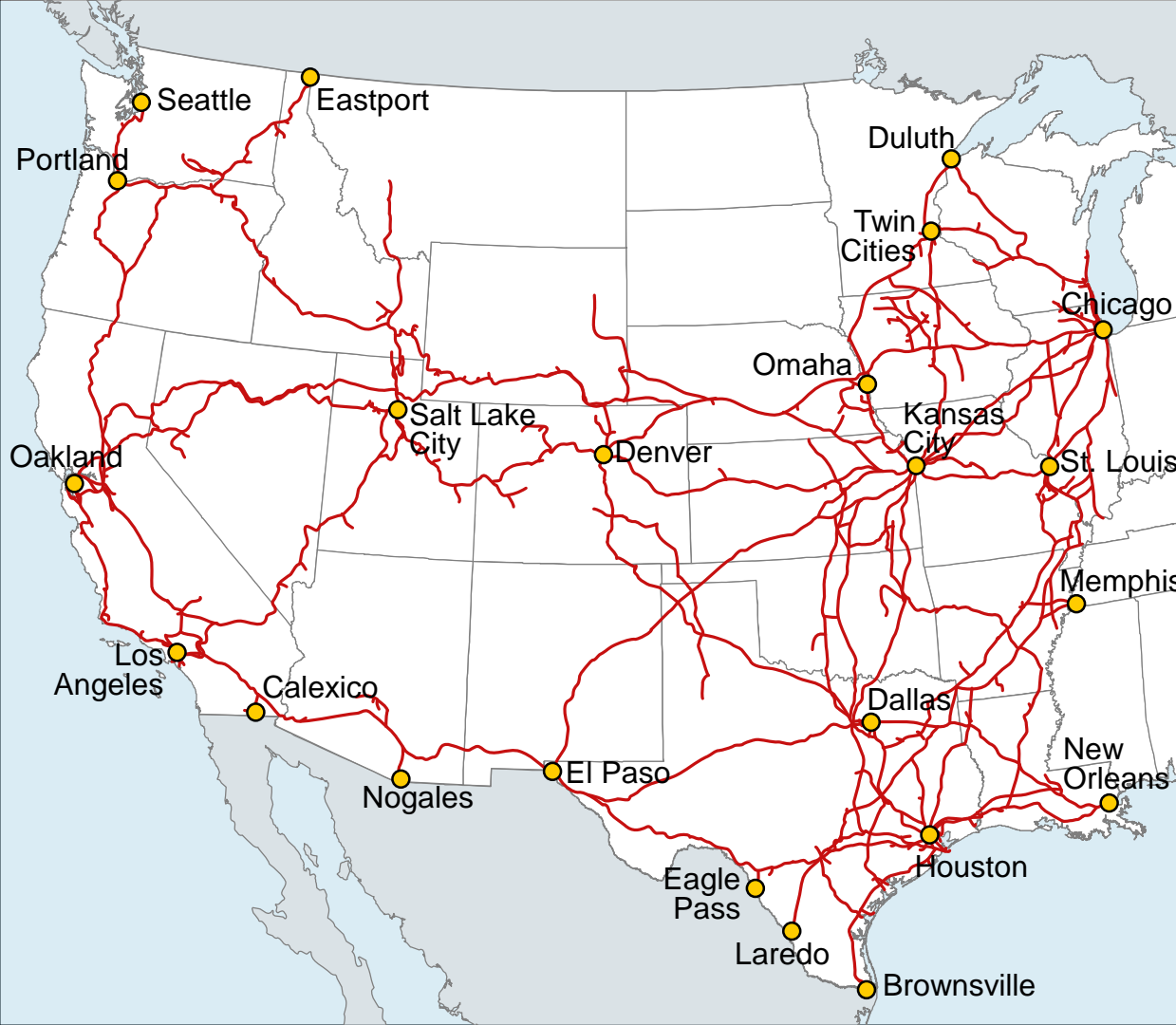
Route Miles:
32,100 in 23 States

Employees: **42,900**

Annual Payroll: **\$4.1 B**

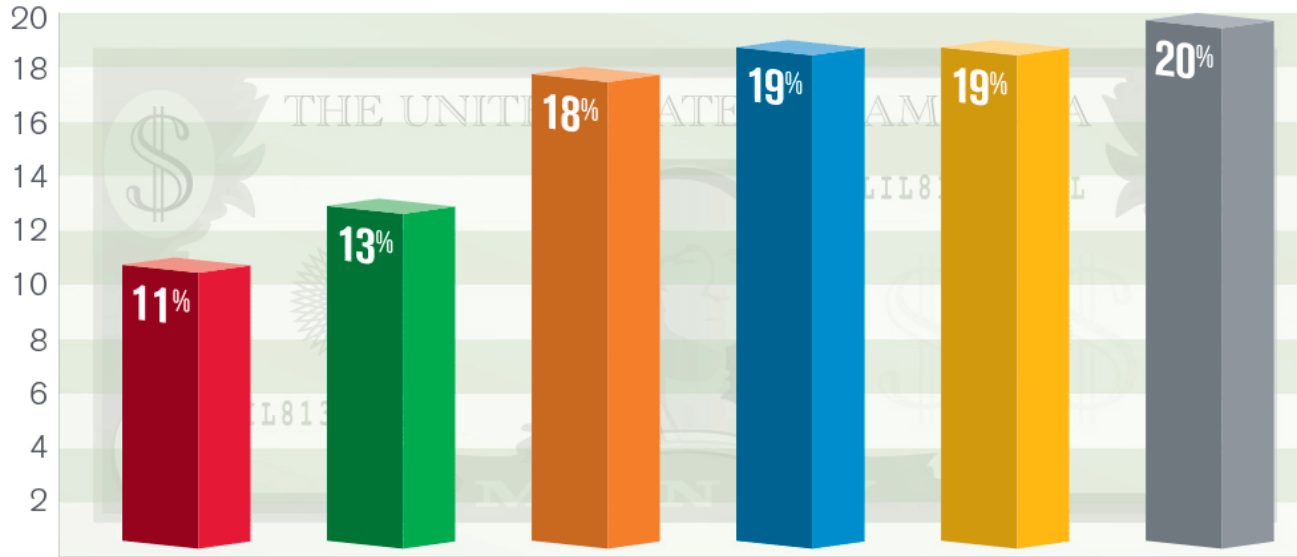
Customers: **10,000**

Locomotives: **8,500**



2016 Business Mix

by Freight Revenue \$18.6 Billion



Percentage of \$18.6 Billion Freight Revenue



Auto



Coal



Industrial



Chemical



Agriculture



Intermodal



2016 Union Pacific in Texas

Miles of Track: **6,307**

Annual Payroll: **\$692.4 M**

In-State Purchases: **\$1.4 B**

Capital Investment: **\$801.9 M**

Employees: **7,356**

Community Giving: **\$1.75 M**

* - - - - - denotes foreign line access



Growth in Texas

The Good, the Bad, and the Ugly



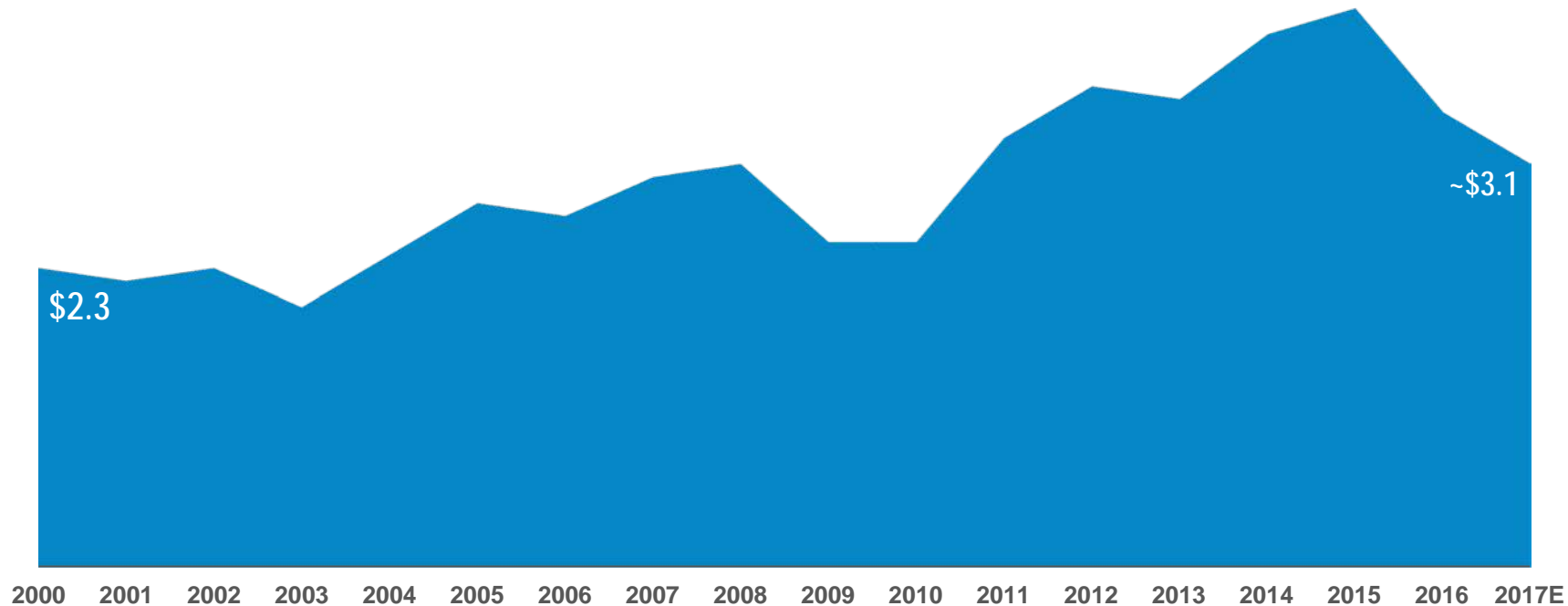
- Every single day, 650 people move to Texas.
- North Texas grows by one person every five minutes.
- The North Texas population is expected to be just shy of 17 million by 2050.
- TxDOT predicts an 88% increase in total freight tonnage by 2040.
- Each person annually requires 40 tons of freight.

**Jobs, Competitive
Wages, Tax Revenue,
and Economic Stability**

**Congestion, Safety
Concerns,
Environmental Impact,
and Necessary
Infrastructure
Improvements**

UP Capital Investment Trends

~\$50 Billion since 2000*



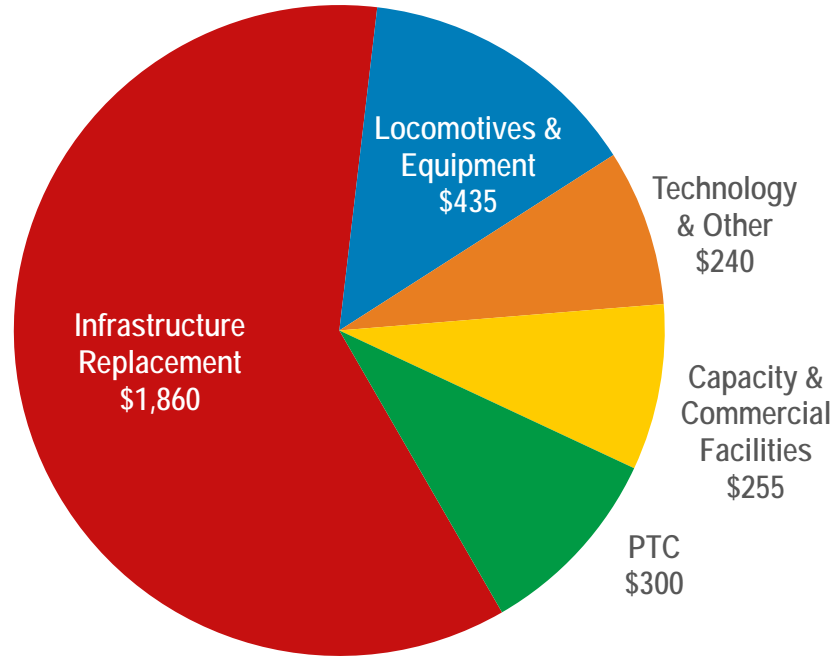
*In billions. Includes cash capital, leases and other non-cash capital.

Strengthening the Franchise

~\$3.1 Billion 2017 Capital Plan*



**Capital Spend
Approximately
15% of Revenue**



*In millions. Includes cash capital, leases and other non-cash capital.

Freight Rail Works in Texas

Union Pacific's Value Proposition



- Customized services for the delivery of frac sand and pipe to west Texas energy operations.
- Transport of central Texas aggregate product to meet the need for rock in Houston and south Texas.
- Innovative services including Dallas to Dock that provides plastic producers with an export solution for plastic pellets, expanding their reach overseas.

**One train takes several
hundred trucks off
congested highways**

**Rail is almost four
times more fuel
efficient than trucks**



Dallas to Dock

From hopper → package → container → dock





1

Plastic pellets are loaded into hopper cars in the Gulf region.



Dallas →
240 miles

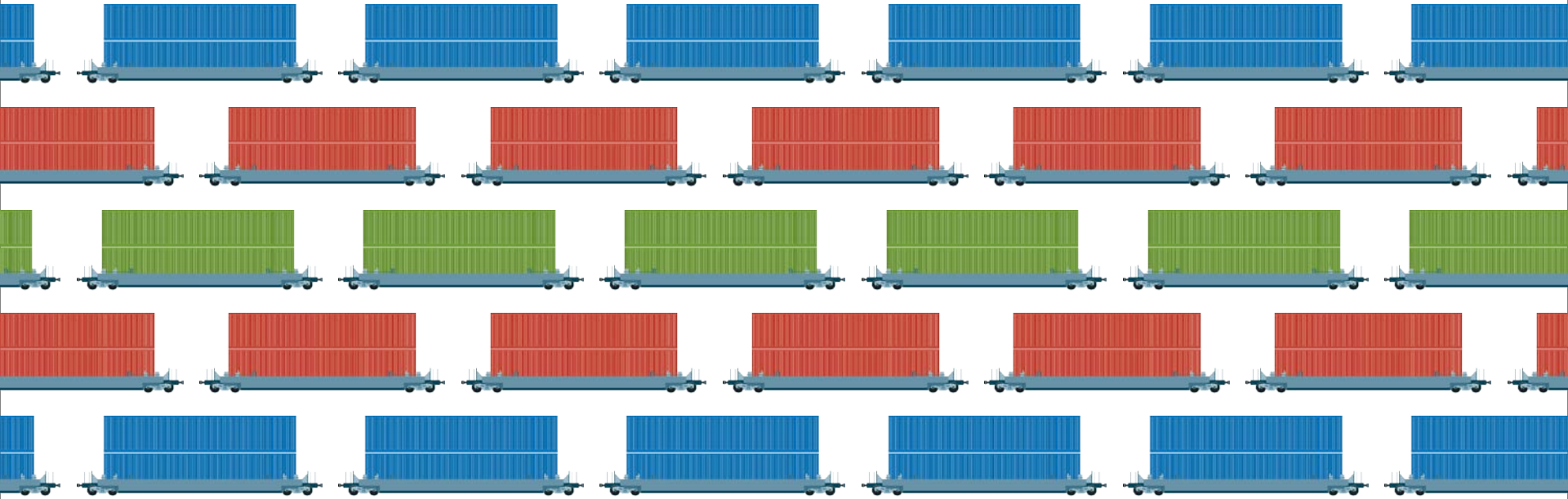


And transported to Dallas for packaging.



2

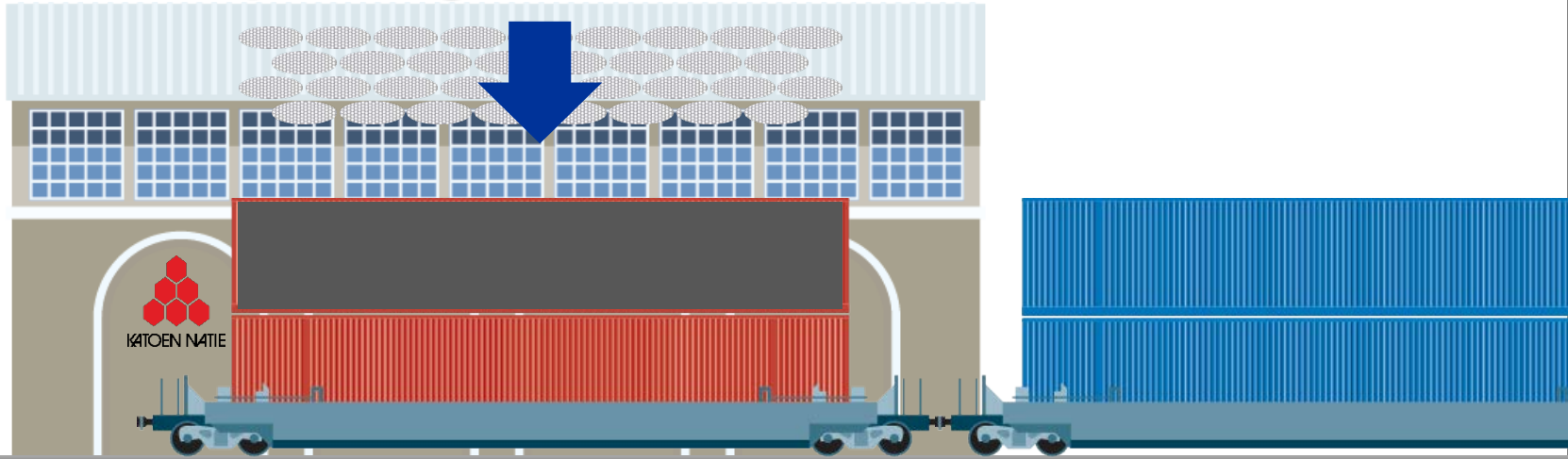
Dallas has an abundant supply of containers



to meet export demand.

3

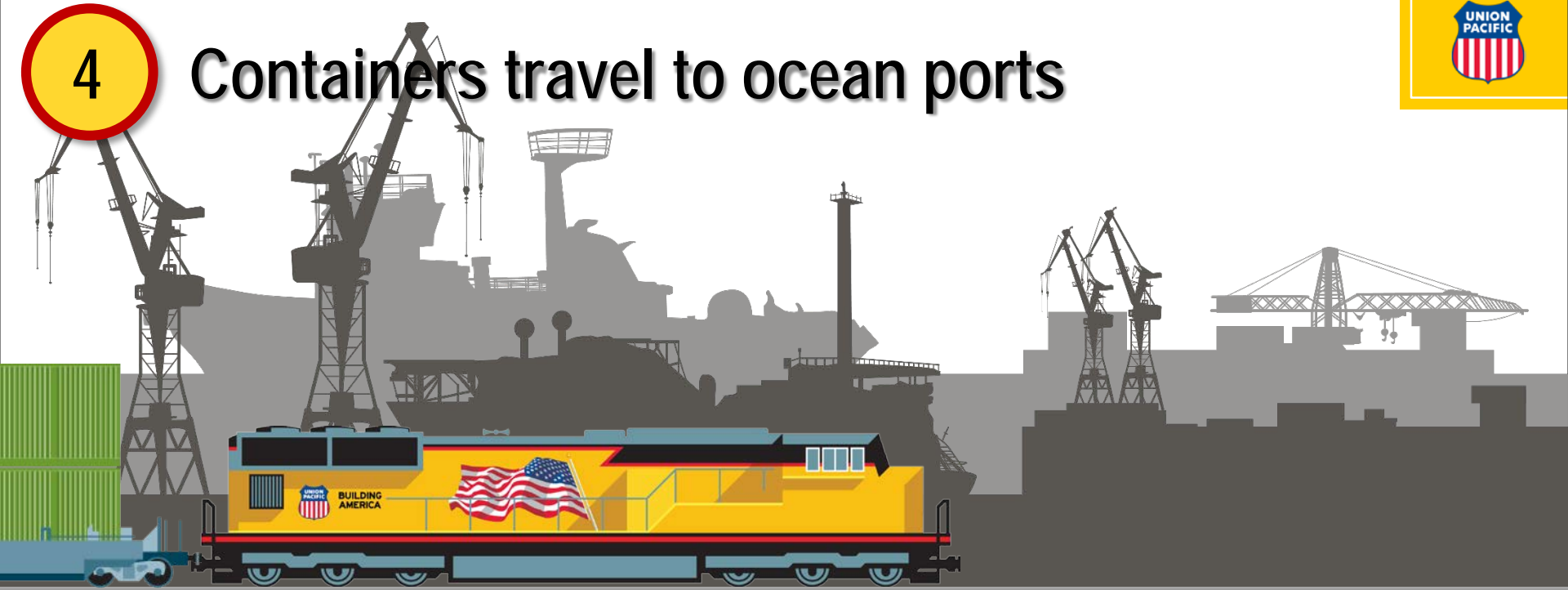
In Dallas, plastic pellets are packaged by premier packager KTN



and loaded into intermodal containers.



4 Containers travel to ocean ports



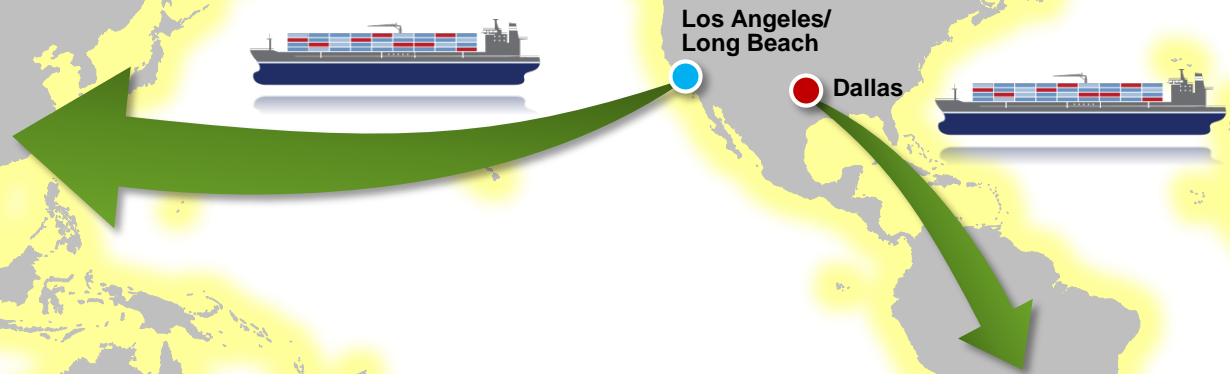
on our premium intermodal service.





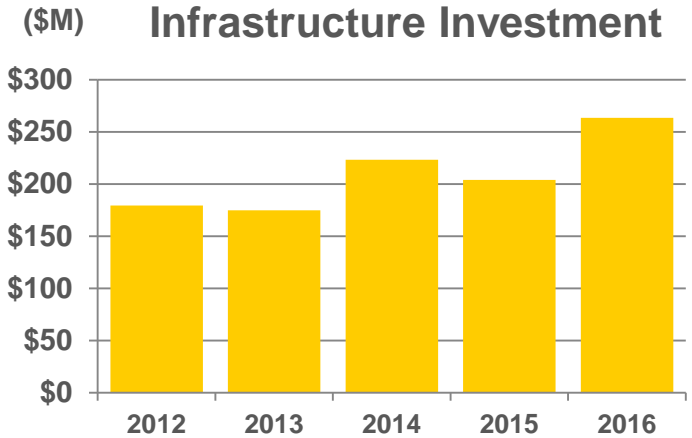
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At ports, containers are loaded onto vessels

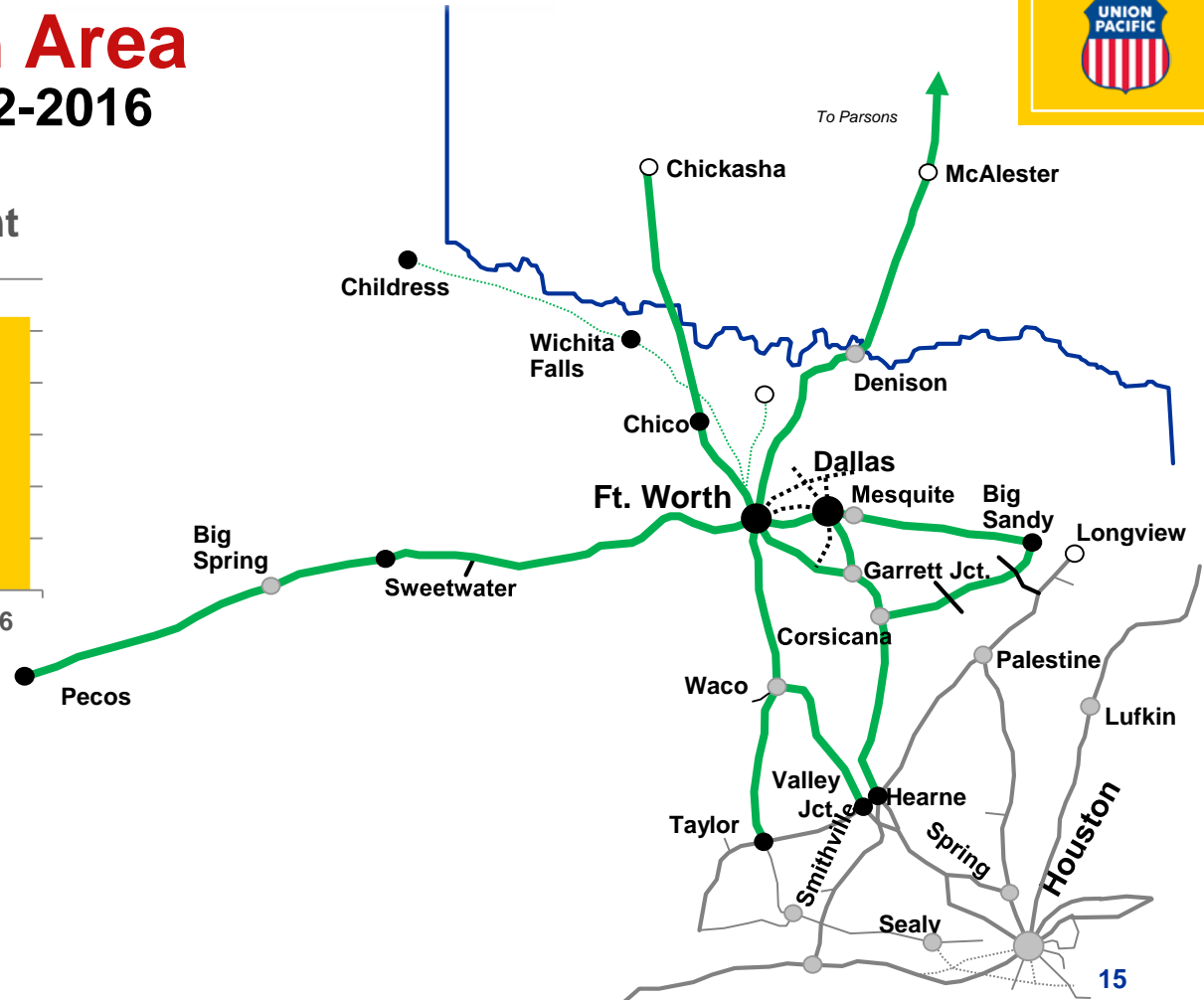


destined for global markets.

Dallas-Fort Worth Area Capital Expenditure 2012-2016



= \$1B



Union Pacific as Your Freight Partner

Serving the Freight Needs of a Growing Economy



- If the projections come true, multimodal solutions need to be a part of this new reality.
- Since 2009, Union Pacific has spent \$6.3 billion on our southern region and \$4.0 billion in Texas alone.
- The people and the freight are coming, and together, We Can Handle It!

**Public/Private
Partnerships**

**Freight Rail as the
Relief Valve**



OUR MISSION

The men and women of Union Pacific are dedicated to serve.

OUR VALUES

Passion for performance
High ethical standards
Work as a team

Union Pacific in Dallas

**Mobility Solutions,
Infrastructure &
Sustainability Committee**

September 25, 2017

**Tanya Brooks
Assistant Director
Mobility & Street
Services**



City of Dallas

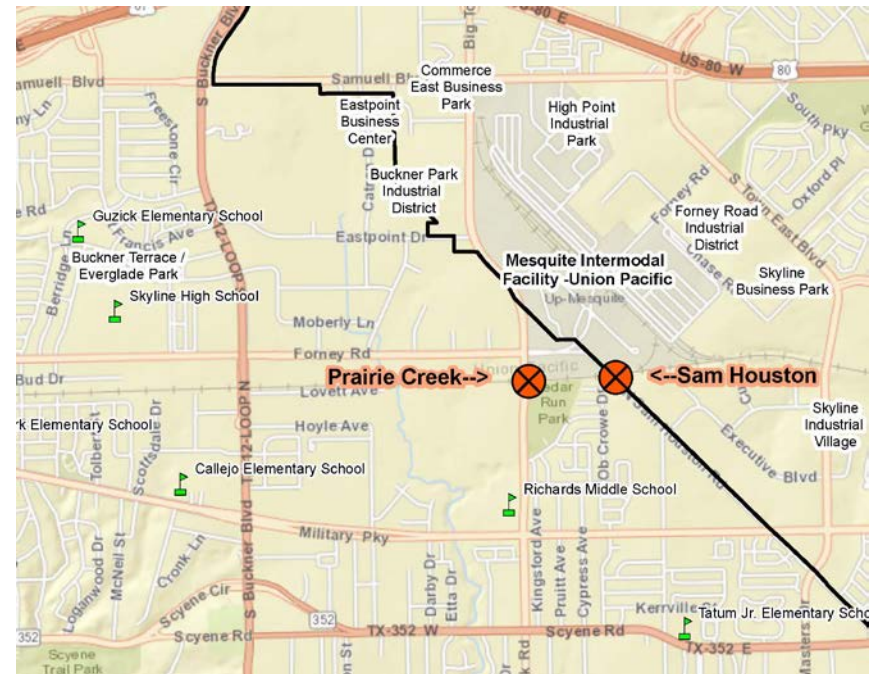
Proposed Prairie Creek Boulevard Project

- Project Scope

- Partnership project with North Central Texas Council of Governments (NCTCOG) and Union Pacific (UP)
- Multi-modal four-lane grade-separated bridge at Prairie Creek Road
- Close the UP at-grade railroad crossing at Sam Houston Road

- Project Cost: \$19M

- NCTCOG \$8.4M
- City of Dallas 2017 Bond Program \$7.5M



- Union Pacific \$1.5M
- Dallas County \$1.6M

Proposed Joppa Project

- Project Scope
 - Close UP at-grade crossing at Linfield Road
 - Construct grade-separated bridge for pedestrians and cyclists
 - Beautification and landscaping improvements along Carbondale Street
 - Upgrades to Loop 12/Carbondale
- Project Cost: \$8,286,170



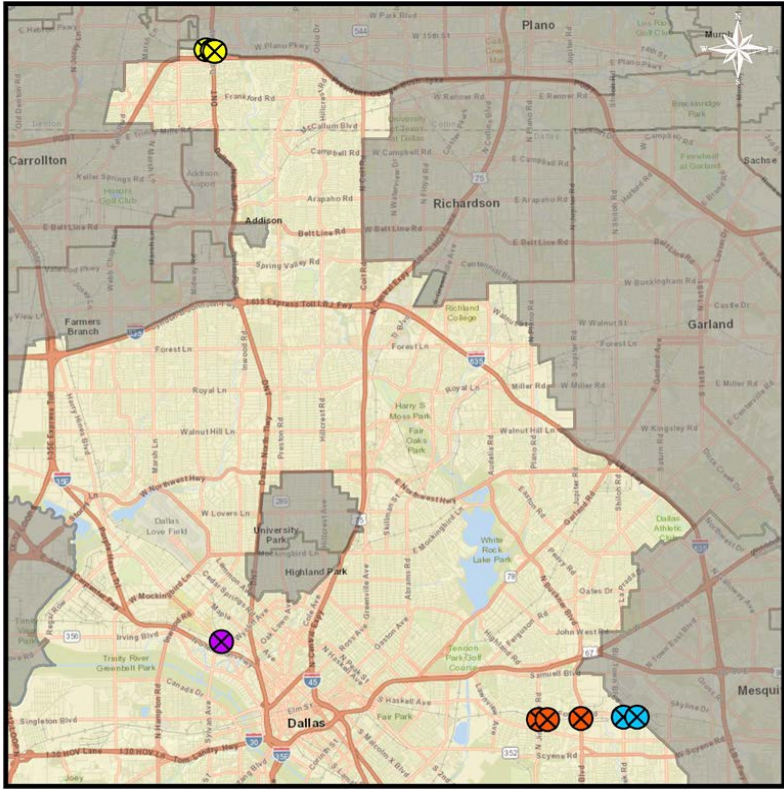
What is a Quiet Zone?

- The Federal Railroad Administration (FRA) Train Horn Rule (49 CFR Part 222) requires the sounding of locomotive train horns on approach and entry of public highway-rail grade crossings
- It preempts state and local laws/ordinances governing the sounding of locomotive horns
- It includes provisions that allow communities to silence train horns at crossings by establishing “quiet zones” that meet certain requirements

Process to Establish a Quiet Zone

- Assemble Diagnostic Team (City, FRA, RR, TxDOT) to determine appropriate Supplemental Safety Measure (SSM) needed at crossing in lieu of train horn
- Council action to issue Notice of Intent (NOI) with 60-day comment period
- Implement SSM(s)
- Issue Notice of Establishment (NOE) with effective date

Active Railroad Crossing Quiet Zones



- Quiet Zones, Effective Date**
- ✕ FAR NORTH DALLAS, 3/21/2011
 - ✕ MARKET CENTER, 9/10/2012
 - ✕ URBANDALE 1, 12/12/2011
 - ✕ URBANDALE 2, 10/10/2016